

July 27, 2021

To All Concerned Parties

REIT Issuer:

Kenedix Residential Investment Corporation  
 Representative: Keisuke Sato, Executive Director  
 (Securities Code Number: 3278)

Asset Management Company

Kenedix Real Estate Fund Management, Inc.  
 Representative: Masahiko Tajima, President & CEO  
 Contact: Shin Yamamoto, Head of Planning Division,  
 Residential REIT Department  
 TEL: +81-3-5157-6011

## Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreement

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) announced today the decision regarding debt financing (total of ¥ 12.45 billion), execution of interest rate swap agreement, and also informs you of borrowing Series 55-A in “1. Details of Debt Financing” below as Social Loan in accordance with the Social Finance Framework defined by the Investment Corporation. Details are as follows.

### 1. Details of Debt Financing

Series	Lender	Amount (million)	Interest Rate (Note 1) (Note 2)	Contract Date (Scheduled)	Drawdown Date	Principal repayment Date (Note 2)	Collateral • Repayment Method
55-A	Shinsei Bank, Limited	¥1,000	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) +0.20000%	July 28, 2021	July 30, 2021	July 31, 2024	Unsecured, unguaranteed • Repayment of principal in full on maturity date
55-B	Daishi Hokuetsu Bank, Ltd.	¥500	+0.35000% <sup>(Note 4)</sup> (Fixed rate)			January 31, 2027	
55-C	The Bank of Yokohama, Ltd.	¥1,000	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) +0.40000%			July 31, 2029	
55-D	Sumitomo Mitsui Banking Corporation	¥1,400	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) +0.52500%			January 31, 2030	
55-E①	MUFG Bank, Ltd.	¥1,000	To be determined <sup>(Note 5)</sup> (Fixed rate)				
55-E②	Nippon Life Insurance Company	¥1,000	+0.70000% <sup>(Note 6)</sup> (Fixed rate)				
56①	The Yamaguchi Bank, Ltd.	¥800	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) + 0.30000%			July 29, 2021	
56②	The Chugoku Bank, Ltd.	¥500	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) + 0.30000%				
56③	The 77 Bank, Ltd.	¥500	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) +0.30000%				

57-A①	Mizuho Bank, Ltd.	¥500	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) +0.22500%	August 5, 2021	August 10, 2021	February 28, 2023
57-A②	Mizuho Trust & Banking Co., Ltd.	¥200	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) +0.17500%			
57-B①	Aozora Bank, Ltd.	¥350	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) +0.47500%			February 28, 2029
57-B②	Resona Bank, Limited	¥300	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) +0.37500%			
57-C	Sumitomo Mitsui Banking Corporation	¥1,200	Base rate <sup>(Note 3)</sup> (JPY TIBOR for 3 month) + 0.52500%			February 28, 2030
57-D	MUFG Bank, Ltd.	¥1,200	To be determined <sup>(Note 7)</sup> (Fixed rate)			
57-E	Development Bank of Japan Inc.	¥1,000	To be determined <sup>(Note 7)</sup> (Fixed rate)			

(Note 1) For series 55, the first interest payment is due at the end of October 2021 and on the last day of every three months thereafter with final due on the principal repayment day. For series 56 and series 57, the first interest payment is due at the end of August 2021 and on the last day of every three months thereafter with final due on the principal repayment day.

(Note 2) If the interest payment date or the principal repayment date is a non-business day, the date shall be the next business day and if such next business day falls under the next month, the date shall be the preceding business day.

(Note 3) The Japanese Yen TIBOR of the JBATA is available on the JBATA website (<http://www.jbatibor.or.jp/english/>).

(Note 4) The interest rate applicable period is from July 30, 2021 to January 31, 2027.

(Note 5) Any undecided matters shall be determined on July 28, 2021 and will be announced after the decision is made.

(Note 6) The interest rate applicable period is from July 30, 2021 to January 31, 2030.

(Note 7) Any undecided matters shall be determined on August 5, 2021 and will be announced after the decision is made.

## 2. Reason for Debt Financing

### (1) Series 55

The proceeds of this debt financing are to be used for the repayment of the borrowing series 4-B<sup>(note 1)</sup>, series 26-B<sup>(note 2)</sup>, series 37-B<sup>(note 3)</sup>, series 43-A<sup>(note 4)</sup> (Total ¥5.9 billion) with the principal repayment date of July 30, 2021.

### (2) Series 56

The proceeds of this debt financing are to be used for the funds toward a payment for the acquisition of trust beneficiary interest in real estate (T-100: KDX Residence Kamishakujii II) stated in the press release “Notice Concerning Acquisition of Properties and Conclusion of Lease Contracts with New Tenants (Total of 4 Residential Properties and 2 Healthcare Facilities)” announced on February 15, 2021 and associated costs thereof.

### (3) Series 57

The proceeds of this debt financing are to be used for the repayment of the borrowing series 7-A<sup>(note 5)</sup>, series 7-B<sup>(note 5)</sup> (Total ¥4.75 billion) with the principal repayment date of August 10, 2021.

- (Note 1) For detail of series 4-B, please refer to the press release “Notice Concerning Debt Financing, Prepayment of Debt Financing and the Execution of Interest-Rate Swap Agreements” announced on January 29, 2014.
- (Note 2) For detail of series 26-B, please refer to the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” announced on July 25, 2018.
- (Note 3) For detail of series 37-B, please refer to the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” announced on January 29, 2020.
- (Note 4) For detail of series 43-A, please refer to the press release “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreements” announced on July 22, 2020.
- (Note 5) For detail of series 7-A and 7-B, please refer to the press release “Notice Concerning Debt Financing” announced on August 4, 2014.

### 3. Interest Rate Swap Agreements

#### (1) Reason for Executing the Interest Rate Swap Agreements

For a hedge against possible increases in future interest rate for Series 55-A, Series 55-C, Series 55-D, Series 56, Series 57-B and Series 57-C with floating interest rate.

#### (2) Details of the Interest Rate Swap Agreements

		Series 55-A
Counterparty		To be determined <sup>(Note)</sup>
Notional Amount		¥ 1,000 million
Interest Rate	Fixed interest Rate for payment	To be determined <sup>(Note)</sup>
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)
Commencement Date		July 30, 2021
Termination Date		July 31, 2024
Payment Date		The interest payment is due at the end of October 2021, and on the last day of every three months thereafter with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then the previous business day will be applied.)

		Series 55-C
Counterparty		To be determined <sup>(Note)</sup>
Notional Amount		¥ 1,000 million
Interest Rate	Fixed interest Rate for payment	To be determined <sup>(Note)</sup>
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)
Commencement Date		July 30, 2021
Termination Date		July 31, 2029
Payment Date		The interest payment is due at the end of October 2021, and on the last day of every three months thereafter with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then the previous business day will be applied.)

		Series 55-D
Counterparty		To be determined <sup>(Note)</sup>
Notional Amount		¥ 1,400 million
Interest Rate	Fixed interest Rate for payment	To be determined <sup>(Note)</sup>
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)
Commencement Date		July 30, 2021
Termination Date		January 31, 2030
Payment Date		The interest payment is due at the end of October 2021, and on the last day of every three months thereafter with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then the previous business day will be applied.)

(Note) Any undecided matters shall be determined on July 28, 2021 and will be announced after the decision is made.

		Series 56①	Series 56②	Series 56③
Counterparty		To be determined <sup>(Note)</sup>		
Notional Amount		¥ 800 million	¥ 500 million	¥ 500 million
Interest Rate	Fixed interest Rate for payment	To be determined <sup>(Note)</sup>		
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)		
Commencement Date		August 2, 2021		
Termination Date		February 28, 2027		
Payment Date		The interest payment is due at the end of August 2021, and on the last day of every three months thereafter with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then the previous business day will be applied.)		

(Note) Any undecided matters shall be determined on July 29, 2021 and will be announced after the decision is made.

		Series 57-B①	Series 57-B②
Counterparty		To be determined <sup>(Note)</sup>	
Notional Amount		¥ 350 million	¥ 300 million
Interest Rate	Fixed interest Rate for payment	To be determined <sup>(Note)</sup>	
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)	
Commencement Date		August 10, 2021	
Termination Date		February 28, 2029	
Payment Date		The interest payment is due at the end of August 2021, and on the last day of every three months thereafter with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then the previous business day will be applied.)	

		Series 57-C
Counterparty		To be determined <sup>(Note)</sup>
Notional Amount		¥ 1,200 million
Interest Rate	Fixed interest Rate for payment	To be determined <sup>(Note)</sup>
	Floating interest Rate for receipt	Base rate (JPY TIBOR for 3 month)
Commencement Date		August 10, 2021
Termination Date		February 28, 2030
Payment Date		The interest payment is due at the end of August 2021, and on the last day of every three months thereafter with termination date. (If each payment day is a non-business day, then the payment will be due on the next business day and if the next business day is in the next month, then the previous business day will be applied.)

(Note) Any undecided matters shall be determined on August 5, 2021 and will be announced after the decision is made.

#### 4. Outline of the Social Finance Framework and Social Loan

##### (1) Reason for Introducing Social Loan

The Investment Corporation aims to maximize unitholder value by investing healthcare-related facilities, which will become a social infrastructure, as one of its main investment targets as a bridge connecting the capital market and the healthcare industry as well as by conducting stable management under the basic philosophy of obtaining stable revenue and pursuing sustainable growth through a wide range of investments in “spaces where people live and stay.”

The Investment Corporation decided to procure funds through Social Loan in accordance with the social finance framework defined by the Investment Corporation, with an aim to contribute to the development of the domestic social financial market by further enhancing initiatives for sustainability through the efforts made this time and collaboration with financial institutions who are proactively conducting ESG investment and financing.

The Investment Corporation received “Social 1(F),” the highest rating in “JCR Social Finance Framework

Assessment,” from Japan Credit Rating Agency, Ltd. (JCR) with regard to the eligibility of social finance framework<sup>(Note)</sup> (hereafter be referred to as the “Framework”) in November, 2019.

(Note) Regarding the detail, please refer to the press release “Notice Concerning Submission of Revised Shelf Registration Statement for the Issuance of Social Bond” announced on November 26, 2019.

(2) Total Amount to be Procured, Use of Funds and Scheduled Outlay Period

(i) Total amount to be procured (approximate net balance)

1,000 million yen

(ii) Specific use of funds and scheduled outlay period

The funds procured through Social Loan is scheduled to be used to repay the loan (Series 26-B②) on July 30, 2021, which was borrowed for the purpose of appropriation to the acquisition of an asset eligible for social finance<sup>(Note)</sup>.

( Note )Assets eligible for social finance refer to assets fulfilling the following eligibility criteria.

Senior living facilities	<ul style="list-style-type: none"> <li>• Private senior homes</li> <li>• Serviced senior housing</li> <li>• Apartments for the elderly</li> <li>• Group homes for elderly with cognitive impairment</li> <li>• Small multi-function facilities</li> <li>• Daycare facilities, etc.</li> </ul>
Medical facilities	<ul style="list-style-type: none"> <li>• Hospitals</li> <li>• Clinics</li> <li>• Medical malls</li> <li>• Nursing and health facilities, etc.</li> </ul>

## 5. Status of the Interest-bearing Liabilities after the Borrowings (as of August 10, 2021)

(Unit: millions of yen)

Classification	Balance Before the Borrowings	Balance After the Borrowings	Difference
Short-term borrowings <sup>(Note 1)</sup>	500	0	-500
Current portion of long-term borrowings <sup>(Note 2)</sup>	27,350	17,200	-10,150
Long-term borrowings <sup>(Note 3)</sup>	110,370	122,820	+12,450
Total borrowings	138,220	140,020	+1,800
Investment corporation bonds	8,700	8,700	-
Total interest-bearing liabilities	146,920	148,720	+1,800

(Note1) The “Short-term borrowings” shall mean the borrowings with a period of less than or equal to one year from the borrowing date to the repayment date. However, if the first anniversary of the date of borrowings fall under a non-business day, the repayment date shall be the next business day and even if, as a result, the borrowing period exceeds one year, the borrowings shall be categorized as short-term borrowings.

(Note2) The “Current portion of long-term borrowings” shall mean the long term borrowings due within one year.

(Note3) The “Long-term borrowings” shall mean the borrowings with a period of more than one year from the borrowing date to the repayment date.

## 6. Others

In relation to the risks associated with the borrowings, there have been no significant changes to the "Investment Risks" stated in the securities report (*Yuka shoken hokokusyo*) submitted on April 28, 2021.

\* Website URL of the Investment Corporation: <https://www.kdr-reit.com/en/>

***[Provisional Translation Only]***

***English translation of the original Japanese document is provided solely for information purposes.***

***Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.***